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Government
Publications

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NEW VENTURES

LOAN APPLICATION

POLICIES
AND GUIDELINES

ELIGIBILITY CRITERIA

HOW TO APPLY

NEW VENTURES
REQUIREMENTS

APPLICATION
F O R M

CO-APPLICANT
INFORMATION

BUSINESS PLAN

EXPLANATION
O F T E R M S

C A S H F L O W
F O R E C A S T

PROJECTED INCOME
S T A T E M E N T S

**YOUR KEY TO
BUSINESS INDEPENDENCE**



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POLICIES AND GUIDELINES

New Ventures is a major initiative of the Government of Ontario to encourage and promote new small business success throughout the province. It is designed to provide a **personal loan** up to a maximum of \$15,000 for an eligible business via participating financial institutions at a floating interest rate of prime plus one percent, or a fixed rate to be negotiated with the financial institution. These loans are guaranteed by the Province of Ontario. New Ventures is administered by The Development Corporations of Ontario, Crown agencies of the Ministry of Economic Development and Trade.

ELIGIBILITY CRITERIA:

- 1 You must be a resident of Ontario, age 18 or older, and either a Canadian citizen or landed immigrant.
- 2 You must be starting up a new full-time business. A full-time business is either;
 - a one that is operating during normal business hours for at least three seasons out of the year, or;
 - b one that is operating a minimum of 2,000 hours per year.
 - c The business must also fall within the generally accepted definitions of an independent business. For example, product distribution, multi-level marketing and commissioned sales, "adult entertainment" or related telephone services are not eligible.
- 3 You must apply within 3 months of registration or incorporation of the new business with the Ministry of Consumer and Commercial Relations. **Businesses registered for more than 3 months, active or inactive, are not eligible.**
- 4 To be eligible, you and/or family members or direct relatives must not own a similar business of which your new venture could be considered an expansion or natural extension.
- 5 For a partnership, each partner must be a co-applicant for the loan.
- 6 Each shareholder of a corporation, or member of a worker co-op, must be an eligible co-applicant for the loan.
- 7 You and/or your business are eligible for only one New Ventures loan in your lifetime.
- 8 At the time of the loan approval, you must make a cash equity contribution to the business equal to the amount of the loan (i.e. a \$10,000 loan requires a cash equity contribution of \$10,000).
For businesses in Northern and Eastern Ontario, this matching requirement is halved (i.e. a cash equity contribution of only \$5,000 is required to apply for a \$10,000 loan).
Your equity contribution must be in cash and must be used for the purposes of the business as set forth on the New Ventures cash-flow projection.
- Your existing equipment, inventory, deposits for equipment and other expenditures **are not considered as equity** contributions under the program.
- 9 If the cash equity contribution is borrowed, the funds cannot be repaid during the term of the New Ventures loan unless it is a personal loan obtained through a Lending Institution, nor can the assets of the business be pledged for that loan.
- 10 Provincial Government loans and grants are not considered as cash equity contributions.
- 11 At some time during the term of the loan you must hire at least one full time employee in addition to the owner(s).
- 12 The loan must be used to cover the essential start-up costs of a new business. The loan proceeds must not be used:
 - a to finance existing debts or to finance transactions between related businesses or individuals.
 - b to purchase an existing business or to assume the clients or name of business which is already operating or has ceased operation within six months.
 - c to purchase the assets of a business and to operate a similar business on the same premises as that failed or ceased business within six months of purchase.
- 13 Applicants who have received assistance under Youth Venture may not apply for assistance under New Ventures or vice versa.
- 14 Professionals or anyone who has acquired a licence to practice a profession (such as doctors, lawyers, dentists, accountants, architects, engineers etc.) are not eligible for a loan to establish a practice relating to their profession.
- 15 Farm operators are not eligible for this loan to operate a farm. Interested parties should contact their agricultural representative for information on programs sponsored by the Ministry of Agriculture and Food.
- 16 **Applicants must attend the business training program, "Running Start".**

HOW TO APPLY:

- 1 Complete your business plan, cash flow/sales forecasts and projected income statement as outlined in the working copy provided (pages 4-18) of the application booklet. Once you are satisfied that all the information is complete and correct, transfer this information to the application form (blue pages) and complete the Summary Form (page K).

NOTE: Applicants must personally complete the application and provide the bank with documentation verifying age, Ontario residency, and Canadian Citizenship or landed immigrant status.

- 2 Complete the Certificate of Equity Schedule "A" and submit with the application.

Incomplete applications and applications prepared by someone other than yourself will not be processed by the bank.

- 3 In the case of a partnership, corporation or worker co-op, each partner, shareholder or co-op member must complete a separate Personal Information section as provided in both the working copy and in the final application. A Worker Co-operative must be incorporated under the Co-operative Corporation Act.

- 4 Detach your application at the perforation and keep the working copy for your records.

- 5 Contact one of the participating financial institutions for an appointment to review your application. A lending officer will interview you to assess your business proposal and discuss terms and conditions of the loan. You should receive an answer from the lending officer within two weeks.

- 6 Applicants must attend a mandatory *Running Start* small business start-up seminar. A certificate of attendance (provided upon completion of the seminar) **must accompany your application** form in order for it to be processed. Registration and scheduling information may be obtained at participating banks or by calling the Ministry of Economic Development and Trade's Target Markets group at (416) 326-5828 or the Community College directly.

- 7 Applicants applying for New Ventures loan to start-up a franchise must first obtain approval from the New Ventures Program Office as to specific franchise eligibility. Applicants should be aware that eligible franchise approvals are limited to five (5) per franchiser in any given 12 month period. Please note that loans, stipends or subsidies from the franchiser are not acceptable as an applicant's equity contribution (either whole or in part) for a New Ventures loan.

The participating financial institutions are:

Canadian Imperial Bank of Commerce
Bank of Montreal
The Bank of Nova Scotia
The National Bank of Canada
Royal Bank of Canada
The Toronto-Dominion Bank
Caisses - La Fédération
Caisses - L'Alliance
Credit Unions

The participating Community Colleges that offer the "Running Start" program are:

COLLEGE	TELEPHONE #
Algonquin College, Ottawa	(613) 727-4723 Ext. 5199 (Info) (613) 727-9565 (Registration)
Cambrian College, Sudbury	(705) 670-2112
Canadore College, North Bay	(705) 474-7600 Ext. 6555
La Cité Collégiale, Ottawa	(613) 786-2300
Centennial College, Scarborough	(416) 694-3241 Ext. 2608
Conestoga College, Kitchener	(519) 748-3516 (Info) (519) 748-3550 (Registration)
Confederation College, Thunder Bay	(807) 475-6392
Durham College, Oshawa	(905) 721-3340 (Info) (905) 721-3000 (Registration)
Fanshawe College, London	(519) 452-4425
Georgian College, Barrie	(705) 722-1544
Humber College, Toronto	(416) 675-6622 Ext. 3358
Mohawk College, Hamilton	(905) 575-2185
Niagara College, Welland	(905) 684-4315 Ext. 2435
Sir Sandford Fleming College	(905) 372-6865
St. Clair College, Windsor	(519) 945-4025
St. Lawrence College, Brockville	(613) 544-5532 Ext. 1663

NEW VENTURES REQUIREMENTS:

If your loan is approved, you will be required to:

- 1** Obtain any licences, permits or insurance which apply to your business.
- 2** Set up your business within 4 weeks from loan approval, if you have not already done so.
- 3** Obtain a full disbursement of the New Ventures loan within 6 months of receiving your loan approval.
- 4** Sign a Loan Agreement and Promissory Note. Each co-applicant will be responsible for full repayment of the loan. In the case of a partnership or a corporation all partners or shareholders must sign the Loan Agreement and Promissory Note. A Worker Co-operative must obtain a letter certifying that it is duly incorporated under the Co-operative Corporation Act. (Please call Co-operative Development Services, Ministry of Finance at (416) 326-9301 for more information).

In the case of a worker co-op, the maximum number of New Ventures loan approvals is limited to 5. Each worker co-op member applying for and receiving a New Ventures loan must sign a promissory note and each member is personally responsible for their individual loan.
- 5** Pay an administration fee of \$200 to the lending institution. This amount may be deducted from your loan proceeds.
- 6** Open a business account with the lending branch and deposit the entire amount of your equity contribution and the proceeds of the New Ventures loan into this account.

The schedule of advances on the New Ventures Loan funds within the first 6 months will be negotiated between you and the lender.
- 7** Within 6 weeks of obtaining the loan, you must submit the Certificate of Expenditures (Schedule "B") and Schedule of Expenditures (Schedule "C") with invoices supporting your start up costs to the New Ventures Program office.
- 8** Make monthly payments of interest only during the first 12 months of the loan term from the date of the first disbursement. Thereafter, payments must include principal plus interest whereby the principal is reduced by 25% per year over the next four years.
- 9** Repay the full amount of the outstanding loan if the business is sold or transferred during the term of the Guarantee.
- 10** Complete and return, within 30 days, the Business Review Form mailed to you by the New Ventures Program office on December 30, of the second and fourth year of the loan.

If you have any questions, call The Development Corporations of Ontario's New Ventures Program at these numbers:

Toronto Area - **(905) 279-1140**

Toll Free - **1-800-387-0070**

Assistance in completing the application is available at any of the Ministry's Business Self-Help Offices. For a location of the office near you and for additional information on other Ministry Programs and Small Business Ontario Publications, call:

Canada-Ontario Business Service Centre

Toronto Area - **(416) 954-4636**

Toll Free - **1-800-567-2345**

N.B. New Ventures loans are personal loans. Should the business fail, applicants are still personally liable for repayment of any balance outstanding to the Province of Ontario.

NEW VENTURES

YOUR APPLICATION

PERSONAL INFORMATION

PLEASE PRINT

Last name, First name, Middle initial		Date of Birth	Social Insurance Number
Home address		<input type="checkbox"/> Own <input type="checkbox"/> Rent	Sex (M/F)
City Postal Code		Home Telephone Number ()	How long have you lived at this address
Previous address if moved within 3 years		Business Telephone Number Fax Number () ()	How long did you live at previous address
Are you an Ontario Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		Are you a Canadian Citizen? <input type="checkbox"/> Landed Immigrant <input type="checkbox"/>	
Ontario Driver's Licence Number _____			

What will your role be in the business and how has your education and business experience prepared you for this role?

Role: _____

Education: _____

Business Experience: _____

Please provide information of your most recent employment:

Company Name: _____ Telephone: ()

Address: _____ Gross Annual Income: _____

Title: _____ Date Employed From: _____ To: _____

Responsibilities: _____

Previous employer: _____ Date Employed From: _____ To: _____

Have you ever been self employed? ☐ Yes ☐ No

(If yes, please give details) _____

If the new business fails how would you repay the New Ventures Loan?

Do you or any members of your family own an interest in a similar business or a business of which the new venture might be considered to be a natural extension?

☐ Yes ☐ No

(If yes, please explain) _____

Do you or does your spouse or any other family member presently have or has ever had a New or Youth Ventures loan? ☐ Yes ☐ No

(If yes, give details) _____

REFERENCES

Name of your Bank(s)/Address(es): _____ Telephone: ()

Nearest living Relative/Address: _____ Telephone: ()

Landlord/Mortgage Holder/Address: _____ Telephone: ()

Real Estate Owned

Location	Registered Owner	Year Purchased	Purchase Price	Present Value
			\$	\$
Total Present Value				\$

Details of Liabilities

Individual/Institution Holding Debt	Amount of Original Loan	Current Loan Outstanding	Monthly Payments	Loan Due Date	Purpose of Loan
	\$	\$	\$		
Total Outstanding		\$			

Personal Financial Statement as at (Date) _____

ASSETS

Cash \$ _____

Liquid Assets (stocks, bonds etc. please itemize) _____
\$ _____

Automobile (current value) \$ _____

Real Estate (total present value) \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

Mortgage(s) owing \$ _____

Credit Card(s) owing \$ _____

Loans (total outstanding) \$ _____

TOTAL LIABILITIES \$ _____

Net Worth (total assets minus total liabilities) \$ _____

Do you have any guarantees or other liabilities outstanding? Yes ☐ No ☐

Details, including amounts: _____

Are there any judgments or legal proceedings against you? Yes ☐ No ☐

Details, including amounts: _____

Please list all sources and amounts of monthly income. _____

CERTIFICATE

I certify that all of the information given by me in this application is true and complete.

I authorize the officers of this financial institution or the Ministry of Economic Development and Trade or their agents to make all necessary credit investigations or credit reporting and provide The Development Corporations of Ontario with all relevant information. I approve the disclosure of any information concerning the undersigned to any credit requesting agency.

I agree that The Development Corporations of Ontario may make a public announcement relating to this New Ventures loan, if approved, and also has the right to audit the records of my business during the guarantee period.

I understand that any false information given in this application and any accompanying materials may result in rejection of this application or immediate demand for repayment of the loan in full together with any interest accrued thereon.

I authorize the Ministry of Economic Development and Trade and The Development Corporations of Ontario to provide the lender with all relevant information.

NOTICE

Any personal information contained in this, or any subsequent forms attached or forwarded at a later date, is received under the authority of Section 12 of the Development Corporations Act, R.S.O. 1980, C.117 as amended and Sections 3, 6 & 11 of the Ministry of Industry and Trade Act, S.O. 1982, C.31 and will be used to provide a data base of borrowers registered in the New Ventures loan program, to ensure that borrowers receive only one loan and that statistical information on the program is recorded.

This information will also be used for the purpose of assisting in the collection of any outstanding amount due to the Province of Ontario in the event of defaulted and/or demanded loans.

It is an offence to obtain or to assist another to obtain the New Ventures Program loan by fraud or false pretence.

Signature of Applicant _____ Date _____

NOTE: Complete a Personal Information Form for each Applicant, Co-Applicant and Shareholder who is a signing officer. If more forms are required, please make photocopies.

CO-APPLICANT PERSONAL INFORMATION

PLEASE PRINT

Last name, First name, Middle initial		Date of Birth		Social Insurance Number	
Home address		<input type="checkbox"/> Own <input type="checkbox"/> Rent	Sex (M/F)	How long have you lived at this address	
City	Postal Code	Home Telephone Number ()		Business Telephone Number ()	Fax Number ()
Previous address if moved within 3 years				How long did you live at previous address	
Are you an Ontario Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		Are you a Canadian Citizen? <input type="checkbox"/>		Landed Immigrant <input type="checkbox"/>	
Ontario Driver's Licence Number _____					

What will your role be in the business and how has your education and business experience prepared you for this role?

Role: _____

Education: _____

Business Experience: _____

Please provide information of your most recent employment:

Company Name: _____ Telephone: () _____

Address: _____ Gross Annual Income: _____

Title: _____ Date Employed From: _____ To: _____

Responsibilities: _____

Previous employer: _____ Date Employed From: _____ To: _____

Have you ever been self employed? ☐ Yes ☐ No

(If yes, please give details) _____

If the new business fails how would you repay the New Ventures Loan?

Do you or any members of your family own an interest in a similar business or a business of which the new venture might be considered to be a natural extension?

☐ Yes ☐ No

(If yes, please explain) _____

Do you or does your spouse or any other family member presently have or has ever had a New or Youth Ventures loan? ☐ Yes ☐ No

(If yes, give details) _____

REFERENCES

Name of your Bank(s)/Address(es): _____ Telephone: () _____

Nearest living Relative/Address: _____ Telephone: () _____

Landlord/Mortgage Holder/Address: _____ Telephone: () _____

Real Estate Owned

Location	Registered Owner	Year Purchased	Purchase Price	Present Value
			\$	\$
Total Present Value				\$

Details of Liabilities

Individual/Institution Holding Debt	Amount of Original Loan	Current Loan Outstanding	Monthly Payments	Loan Due Date	Purpose of Loan
	\$	\$	\$		
Total Outstanding		\$			

Personal Financial Statement as at (Date) _____

ASSETS

Cash \$ _____

 Liquid Assets _____
 (stocks, bonds etc. _____
 please itemize) _____
 \$ _____

Automobile (current value) \$ _____

Real Estate (total present value) \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

Mortgage(s) owing \$ _____

Credit Card(s) owing \$ _____

Loans (total outstanding) \$ _____

TOTAL LIABILITIES \$ _____

Net Worth (total assets minus total liabilities) \$ _____

Do you have any guarantees or other liabilities outstanding? Yes ☐ No ☐

Details, including amounts: _____

Are there any judgments or legal proceedings against you? Yes ☐ No ☐

Details, including amounts: _____

Please list all sources and amounts of monthly income. _____

CERTIFICATE

I certify that all of the information given by me in this application is true and complete.

I authorize the officers of this financial institution or the Ministry of Economic Development and Trade or their agents to make all necessary credit investigations or credit reporting and provide The Development Corporations of Ontario with all relevant information. I approve the disclosure of any information concerning the undersigned to any credit requesting agency.

I agree that The Development Corporations of Ontario may make a public announcement relating to this New Ventures loan, if approved, and also has the right to audit the records of my business during the guarantee period.

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This information will also be used for the purpose of assisting in the collection of any outstanding amount due to the Province of Ontario in the event of defaulted and/or demanded loans.

It is an offence to obtain or to assist another to obtain the New Ventures Program loan by fraud or false pretence.

Signature of Applicant _____ Date _____

NOTE: Complete a Personal Information Form for each Applicant, Co-Applicant and Shareholder who is a signing officer. If more forms are required, please make photocopies.

BUSINESS PLAN

As part of your New Ventures application you are required to prepare a business plan. Remember, a well prepared business plan is absolutely necessary because it serves to justify the business proposal, as well as to convince the lending officer that you have thoroughly researched and planned for your new business. It will also improve your chance for success.

**IF SPACE PROVIDED
IS INSUFFICIENT
PLEASE INDICATE
ATTACHMENTS**

1. BUSINESS PROFILE

Company Name	Company Telephone Number ()						
Company Address							
City	Postal Code						
Date Business Registered/Incorporated <table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">Day</td> <td style="border: 1px solid black; width: 20px; text-align: center;">Month</td> <td style="border: 1px solid black; width: 20px; text-align: center;">Year</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>		Day	Month	Year			
Day	Month	Year					
Form of Business Ownership							
<input type="checkbox"/> Sole Proprietorship: Name _____							
<input type="checkbox"/> Partnership: Names of Partners _____							
<input type="checkbox"/> Corporation: Names of Signing Officers who are Shareholders _____							
<input type="checkbox"/> Worker Co-Op: Names of Members _____							
Classification of Business: <input type="checkbox"/> Franchise							
<input type="checkbox"/> Retail	<input type="checkbox"/> Food						
<input type="checkbox"/> Tourism	<input type="checkbox"/> Manufacturing						
<input type="checkbox"/> Service	<input type="checkbox"/> Construction						
<input type="checkbox"/> Wholesale/Distribution	<input type="checkbox"/> Other (specify) _____						
Will your involvement in this business be <input type="checkbox"/> Full-time or <input type="checkbox"/> Part-time							

If part-time, please explain how your business will be able to operate full-time.

2. OBJECTIVES

Describe in detail what your business will do, what product or service you will be providing.

3. COMPETITION AND SUPPLIERS

Who are your competitors, what are their locations, and how long have they been in business?

Explain why your customers will prefer your product or service over your competitors.

Who are your major suppliers (if applicable), where are they located and what are their credit terms?
Can you change your suppliers easily if required?

4. CUSTOMERS

What market research have you conducted to determine how many potential customers are in the areas where you plan to operate? The research may include door-to-door, telephone or mail surveys, discussions with suppliers or competitors, and statistical data. Please provide both the details of the research (eg. copy of questionnaire or survey, or how many you have called) and the results.

What are the characteristics of your typical customers (ie. age, location, education, etc.)?

How will you inform customers about your service or product?

What form of advertising would be most effective for your business (business cards, radio, newspaper, pamphlets, etc.)?

How much do you intend to spend on advertising and have you budgeted for this expense?

5. PRICE AND COSTS

What does it cost you to offer your product(s) or service(s) to your customers? Cost may be expressed per unit, hour or job. Provide a breakdown of how you determined your cost including materials, labour, inventory and overhead costs.

What price will you charge customers for your product(s) or service(s)? State prices in terms of quantity or fee per hour. If prices vary, give an example. Provide a breakdown of how you arrived at your prices. (Include your costs and markup or profit margins.)

BUSINESS PLAN

What level of sales would you have to reach to just cover your costs (break-even point)?

Have you made provisions for contingency costs, such as warranty/servicing, insurance and start-up, in your pricing?

6. OPERATING REQUIREMENTS

What government regulations, licenses, permits and insurance pertain to your business and have they been obtained?

Identify your business requirements such as size and type of premises, equipment, furniture and fixtures. Will they be leased or purchased and will deposits be required?

What skills are required to operate your business and who will provide them?

Skills needed.

How many employees will you have to hire?

Number of Employees	At Start-up	Part-time	Full-time	By Year 3	Part-time	Full-time
	_____	_____	_____	_____	_____	_____

Will franchises, patents, trademarks, licensing and distribution agreements be important factors in your business? If yes, please provide a copy of the appropriate agreement and a Letter of Opinion on that agreement from your solicitor.

INSTRUCTIONS

COMPLETING CERTIFICATE OF EQUITY (SCHEDULE "A")

You must complete the applicable Section "A" of this certificate and submit with the application to the lending institution at the time you apply for the loan.

Section "B" Part 1, and Part 2 will be completed by the lending institution.

If the funds are borrowed from friends, relatives or other non lending institutions you must include with the application the following documentation:

- 1) Copy of the loan agreement, indicating lender's name, address, telephone number, relationship, terms of repayment, collateral etc.
- 2) Copy of a sworn affidavit signed by the lender or representative, attesting that the loan will not be repaid before the New Ventures Loan has been paid in full.

COMPLETING CERTIFICATE OF EXPENDITURES (SCHEDULE "B") AND SCHEDULE OF EXPENDITURES (SCHEDULE "C")

Within six weeks of obtaining the loan, you must complete and submit the Certificate of Expenditures (Schedule "B") and Schedule of Expenditures (Schedule "C") with invoices supporting your start-up costs to the New Ventures Program office. The invoices will be returned to you after they have been audited and a physical inspection of the expenditures has been undertaken at your place of business.

CERTIFICATE OF EQUITY SCHEDULE "A"

SECTION A (To be completed by applicant)

I/We _____ certify that the cash equity deposited into my business account in the amount of:

☐ \$ _____ is from my personal savings on deposit at this institution.

☐ \$ _____ has been transferred from my personal savings on deposit with _____, and I/We have attached the necessary documentation as proof that the funds have been on deposit with that lending institution for not less than 3 months.

☐ \$ _____ is from proceeds of a loan, and I/We have attached a copy of the loan agreement indicating lender's name, address, telephone number, terms of repayments, collateral, etc.

☐ \$ _____ is from the sale of personal assets (i.e. automobile), the proceeds from an RRSP, sale of stocks or bonds, or from mortgage funds and I/We have provided copies of the appropriate documentation supporting this/these transactions(s).

NOTE: (If the funds are borrowed from friends, relatives or other non-lending institutions, **you must include with the loan agreement a sworn affidavit by the lender or (representative)** that the loan will not be repaid before the New Ventures loan is paid in full).

The cash deposited is my equity requirement to apply under the New Ventures Program and to obtain a loan for the purpose of starting a new business. I/We agree these funds will be applied according to the project specified in the New Ventures Application.

Applicant

Date

Co-Applicant

SECTION B (To be completed by Lender)

Part I

We are satisfied that _____, has/have been banking with this institution for more than six months and that a transfer of funds in the amount of _____ has been made from their personal account to be deposited as cash equity towards a New Ventures Loan. We also confirm that the amount in question has been in the individual's personal account for at least three months.

Lender

Date

Address

Part II

We confirm that _____ is not a customer of this bank. A transfer of funds in the amount of \$ _____ has been received from _____ (name of lending institution if applicable) has been deposited as cash equity requirement towards the New Ventures Loan.

Part III

We confirm that funds in the amount of \$ _____ are from the sale of assets, bonds, RRSP, etc., and have been deposited as the cash equity requirement towards the New Ventures loan.

Lender

Date

Address

**CERTIFICATE OF EXPENDITURES
SCHEDULE "B"**

LOAN NUMBER: _____

NAME OF BORROWER: _____

ADDRESS OF BORROWER: _____

TELEPHONE NUMBER: _____

NAME OF BUSINESS: _____

ADDRESS OF BUSINESS: _____

TELEPHONE NUMBER: _____

I/We certify that the supporting invoices listed in the Schedule of Expenditure (Reverse side of this form) have been paid to the supplier and relate to the financing project per page 15 of the New Ventures Application. All the capital expenditures are in my possession and ready for operation.

I/We certify that the information provided is accurate and understand that it is being relied upon by the New Ventures Program to validate that the funds have been applied towards the business start-up.

Applicant_____
Date_____
Co-Applicant

SCHEDULE OF EXPENDITURES

SCHEDULE "C"

PROJECT	ACTUAL EXPENDITURES		
List items from Page 15 of Application Form	Name of Supplier	Date Paid	Amount
		TOTAL	

NOTE: Submit this Form with supporting invoices within six weeks of the approval and disbursement of the loan.

NEW VENTURES PROGRAM

THE DEVELOPMENT CORPORATIONS OF ONTARIO

Suite 1160

4 Robert Speck Parkway

Mississauga, Ontario

L4Z 1S1

Attention: Manager

For Office Use Only

INSPECTION CONFIRMED: _____
(Date)

Inspector _____

COMMENTS: _____

7. FINANCIAL

Itemize major expenditures to show total start-up costs including funds required for day-to-day operation (working capital).

[illegible]

Total Start-up Cost \$ _____

What is the source of your contribution?

Personal Cash ☐

Borrowed ☐ Other ☐

(Refer to and complete Certificate of Equity Schedule "A").

Amount \$ _____

What is the amount of the New Ventures loan you are applying for?

Amount \$ _____

Other sources of funding. _____ Amount \$ _____

Total Funds \$ _____

If you paid to have this application prepared, state the name of the company or individual(s)

Fee Paid: _____

Complete the attached projected cash flow and income statement.

An explanation is provided for the terms used on the statements.

EXPLANATION OF TERMS

1. CASH FLOW FORECAST

Estimated Sales

The product/service you expect to sell in dollar amount.

Cash Receipts

Money you get from various sources.

Cash from Sales

Money received from selling your product/service. If you provide credit, then money to be collected depends on collection policy.

Other (specify)

Money from sources not specifically identified on the cash flow forecast e.g. interest received from cash in bank account.

Cash Equity Contribution

Money owner invests in business.

New Ventures Loan

Money provided by participating financial institution, guaranteed by the Ontario Government.

Cash Disbursements

Money you pay out.

Purchase of Equipment

Money you spend for equipment purchase.

Rental Expenses

Money you pay for equipment/premises rental.

Labour Expenses

Money you pay your employees in form of wages and benefits.

Personal Drawings

Money you pay yourself to cover personal expenses.

Materials

Money you pay for items to be used in the making of your product/service.

Licences and Insurance

Money you pay for required licences and insurance premiums.

Advertising

Money you pay for advertising your product/service.

Selling Expenses

Money you pay for the selling of your product/service.

Office Expenses

Money you pay for office help.

Other (specify)

Money you pay for expenses not specifically identified, i.e. charitable donations.

Loan Repayment

Money you repay the financial institution for its loan.

Monthly Surplus

The monthly cash receipts are greater than the month's cash disbursements.

Monthly Deficit

The month's cash receipts are less than the month's cash disbursements.

Cumulative (to date)

Total of each and every month's surplus and/or deficit.

2. PROJECTED INCOME STATEMENT

Cost of Goods/Services Sold

Direct costs incurred in the making of your product/service.

Gross Profit

Difference between sales in dollars and cost of goods/services sold.

General Expenses

Common expenses of doing business such as rent, hydro, advertising, insurance, etc.

Interest Expense

Amount to be paid for use of borrowed money (loan).

Operating Profit

Profit figure before provision for owner's drawings and taxes.

Taxes Payable

Identifying tax owing to reach net income figure.

Net Income

True profit from sales after making provision for all expenses.

CASH FLOW FORECAST

CASH FLOW FORECAST FOR FIRST 12 MONTHS OF OPERATION

	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
Estimated Sales (monthly)													
Cash Receipts													
Cash from Sales*													
Other (specify)													
Cash Equity Contribution													
New Ventures Loan													
Total													
Cash Disbursements													
Purchase of Equipment													
Rental Expenses													
Labour Expenses													
Personal Drawings													
Materials													
Licences and Insurance													
Advertising													
Selling Expenses													
Office Expenses													
Other (specify)													
Loan Repayment													
Total													
NET CASH: Total Cash Receipts minus Total Cash Disbursements = \$													
Monthly Net Cash Surplus													
Monthly Net Cash Deficit													
Cumulative (to date)													

* If your business grants credit, only include cash that will actually be collected.

BUSINESS EVALUATION FORM (To be completed by Lending Institution)

INSTRUCTIONS FOR LENDING INSTITUTION

- 1** After your interview with the applicant please complete this Business Evaluation Form. To obtain a New Ventures Authorization number call:
Metro Toronto Area (905) 279-1142
Outside of Metro Toronto 1-800-387-5616.
- 2** If the loan has been approved, tear along the perforated lines to remove this Business Evaluation Form and forward to New Ventures within 15 days of loan disbursement. Please ensure that the Summary Form on the back of this Business Evaluation Form has been completed by the applicant. Retain the application for your records and only submit it if you are making a claim on a defaulted loan.
- 3** If the applicant's loan is not approved please submit the application with the Business Evaluation Form for reimbursement of your processing costs.

Please address all correspondence to:
The Development Corporations of Ontario
New Ventures Program
Suite 1160
4 Robert Speck Parkway
Mississauga, Ontario
L4Z 1S1

Applicant(s) _____ Date Business Commences _____

Interviewer _____
Business Name _____ Date of Interview _____

LENDER'S INFORMATION

Lender _____ Transit No. _____
Address _____ Loan amount _____

Postal Code _____
Tel. No. () _____ Fax No. () _____
Date of Credit Bureau Report _____ Day _____ Month _____ Year _____

ASSESSMENT OF APPLICANT(S)

- | | |
|--|---|
| <p>1 Have you verified applicant(s)' age(s), Ontario residency and Canadian citizenship or landed immigrant status? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>2 Credit rating(s) checked and found satisfactory? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>3 Are you satisfied that the applicant(s) have no other business or personal debt which could affect repayment of the New Ventures loan? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>4 Do you judge the applicant(s) to have the personal commitment, management and technical skills necessary to carry out the business? Yes <input type="checkbox"/> No <input type="checkbox"/></p> | <p>5 Has the applicant completed the New Ventures application and Summary Form personally? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>6 Are you satisfied that the equity injected is bona fide and the Certificate of Equity is completed. Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>7 Has the applicant provided a Certificate of Attendance from the "Running Start" seminar program? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>8 For a Worker Co-Op, has applicant submitted a Letter of Good Standing from the Worker Co-Op Federation of Ontario? Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
|--|---|

ASSESSMENT OF BUSINESS

- | | |
|--|--|
| <p>1 Has the business been registered or operating for less than three months? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>2 Does the proposal make economic sense? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>3 Is the amount of the loan requested reasonable and justified based upon the business plan? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>4 Are the estimated sales/revenues realistic given local market conditions? Yes <input type="checkbox"/> No <input type="checkbox"/>
Comment: _____</p> | <p>5 Are you satisfied that the applicants or members of their families do not own an interest in a similar business of which the new venture might be considered to be an expansion or a natural extension? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>6 Does the cash flow forecast indicate the ability to meet the business' monthly obligations? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>7 Does the business plan indicate the new venture will hire/employ at least one full-time equivalent employee other than the applicant(s)? Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
|--|--|

Is application approved ☐ Yes ☐ No

Loan approved in the amount of \$ _____

Date of Loan Agreement _____

NEW VENTURES AUTHORIZATION NUMBER

--	--	--	--	--	--	--	--

Date of Loan Disbursement _____ Day _____ Month _____ Year _____

Signature of Interviewer _____

Date _____ Day _____ Month _____ Year _____
_____ Day _____ Month _____ Year _____

Cash Equity \$ _____ deposited to an account in the name of the new business _____

NEW VENTURES

YOUR APPLICATION

PERSONAL INFORMATION

PLEASE PRINT

Last name, First name, Middle initial		Date of Birth	Social Insurance Number
Home address		<input type="checkbox"/> Own <input type="checkbox"/> Rent	Sex (M/F) How long have you lived at this address
City	Postal Code	Home Telephone Number ()	Business Telephone Number Fax Number () ()
Previous address if moved within 3 years			How long did you live at previous address
Are you an Ontario Resident? <input type="checkbox"/> Yes <input type="checkbox"/> No		Are you a Canadian Citizen? <input type="checkbox"/>	Landed Immigrant <input type="checkbox"/>
Ontario Driver's Licence Number _____			

What will your role be in the business and how has your education and business experience prepared you for this role?

Role: _____

Education: _____

Business Experience: _____

Please provide information of your most recent employment:

Company Name: _____ Telephone: ()

Address: _____ Gross Annual Income: _____

Title: _____ Date Employed From: _____ To: _____

Responsibilities: _____

Previous employer: _____ Date Employed From: _____ To: _____

Have you ever been self employed? ☐ Yes ☐ No

(If yes, please give details) _____

If the new business fails how would you repay the New Ventures Loan?

Do you or any members of your family own an interest in a similar business or a business of which the new venture might be considered to be a natural extension?

☐ Yes ☐ No

(If yes, please explain) _____

Do you or does your spouse or any other family member presently have or has ever had a New or Youth Ventures loan? ☐ Yes ☐ No

(If yes, give details) _____

REFERENCES

Name of your Bank(s)/Address(es): _____ Telephone: ()

Nearest living Relative/Address: _____ Telephone: ()

Landlord/Mortgage Holder/Address: _____ Telephone: ()

NEW VENTURES

Real Estate Owned

Location	Registered Owner	Year Purchased	Purchase Price	Present Value
			\$	\$
Total Present Value				\$

Details of Liabilities

Individual/Institution Holding Debt	Amount of Original Loan	Current Loan Outstanding	Monthly Payments	Loan Due Date	Purpose of Loan
	\$	\$	\$		
Total Outstanding		\$			

Personal Financial Statement as at (Date) _____

ASSETS

Cash \$ _____

Liquid Assets _____
(stocks, bonds etc. _____
please itemize) _____

\$ _____

Automobile (current value) \$ _____

Real Estate (total present value) \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

Mortgage(s) owing \$ _____

Credit Card(s) owing \$ _____

Loans (total outstanding) \$ _____

TOTAL LIABILITIES \$ _____

Net Worth (total assets minus total liabilities) \$ _____

Do you have any guarantees or other liabilities outstanding? Yes ☐ No ☐

Details, including amounts: _____

Are there any judgments or legal proceedings against you? Yes ☐ No ☐

Details, including amounts: _____

Please list all sources and amounts of monthly income. _____

CERTIFICATE

I certify that all of the information given by me in this application is true and complete.

I authorize the officers of this financial institution or the Ministry of Economic Development and Trade or their agents to make all necessary credit investigations or credit reporting and provide The Development Corporations of Ontario with all relevant information. I approve the disclosure of any information concerning the undersigned to any credit requesting agency.

I agree that The Development Corporations of Ontario may make a public announcement relating to this New Ventures loan, if approved, and also has the right to audit the records of my business during the guarantee period.

I understand that any false information given in this application and any accompanying materials may result in rejection of this application or immediate demand for repayment of the loan in full together with any interest accrued thereon.

I authorize the Ministry of Economic Development and Trade and The Development Corporations of Ontario to provide the lender with all relevant information.

NOTICE

Any personal information contained in this, or any subsequent forms attached or forwarded at a later date, is received under the authority of Section 12 of the Development Corporations Act, R.S.O. 1980, C.117 as amended and Sections 3, 6 & 11 of the Ministry of Industry and Trade Act, S.O. 1982, C.31 and will be used to provide a data base of borrowers registered in the New Ventures loan program, to ensure that borrowers receive only one loan and that statistical information on the program is recorded.

This information will also be used for the purpose of assisting in the collection of any outstanding amount due to the Province of Ontario in the event of defaulted and/or demanded loans.

It is an offence to obtain or to assist another to obtain the New Ventures Program loan by fraud or false pretence.

Signature of Applicant _____ Date _____

NOTE: Complete a Personal Information Form for each Applicant, Co-Applicant and Shareholder who is a signing officer. If more forms are required, please make photocopies.

B

APPLICATION

CO-APPLICANT PERSONAL INFORMATION

PLEASE PRINT

Last name, First name, Middle initial		Date of Birth	Social Insurance Number
Home address		<input type="checkbox"/> Own <input type="checkbox"/> Rent	Sex (M/F)
City	Postal Code	Home Telephone Number ()	Business Telephone Number Fax Number () ()
Previous address if moved within 3 years			How long did you live at previous address

Are you an Ontario Resident? ☐ Yes ☐ No Are you a Canadian Citizen? ☐ Landed Immigrant ☐

Ontario Driver's Licence Number _____

What will your role be in the business and how has your education and business experience prepared you for this role?

Role: _____

Education: _____

Business Experience: _____

Please provide information of your most recent employment:

Company Name: _____ Telephone: ()

Address: _____ Gross Annual Income: _____

Title: _____ Date Employed From: _____ To: _____

Responsibilities: _____

Previous employer: _____ Date Employed From: _____ To: _____

Have you ever been self employed? ☐ Yes ☐ No

(If yes, please give details) _____

If the new business fails how would you repay the New Ventures Loan?

Do you or any members of your family own an interest in a similar business or a business of which the new venture might be considered to be a natural extension?

☐ Yes ☐ No

(If yes, please explain) _____

Do you or does your spouse or any other family member presently have or has ever had a New or Youth Ventures loan? ☐ Yes ☐ No

(If yes, give details) _____

REFERENCES

Name of your Bank(s)/Address(es): _____ Telephone: ()

Nearest living Relative/Address: _____ Telephone: ()

Landlord/Mortgage Holder/Address: _____ Telephone: ()

NEW VENTURES

Real Estate Owned

Location	Registered Owner	Year Purchased	Purchase Price	Present Value
			\$	\$
Total Present Value				\$

Details of Liabilities

Individual/Institution Holding Debt	Amount of Original Loan	Current Loan Outstanding	Monthly Payments	Loan Due Date	Purpose of Loan
	\$	\$	\$		
Total Outstanding		\$			

Personal Financial Statement as at (Date) _____

ASSETS

Cash \$ _____

Liquid Assets (stocks, bonds etc. please itemize) _____
\$ _____

Automobile (current value) \$ _____

Real Estate (total present value) \$ _____

TOTAL ASSETS \$ _____

LIABILITIES

Mortgage(s) owing \$ _____

Credit Card(s) owing \$ _____

Loans (total outstanding) \$ _____

TOTAL LIABILITIES \$ _____

Net Worth (total assets minus total liabilities) \$ _____

Do you have any guarantees or other liabilities outstanding? Yes ☐ No ☐

Details, including amounts: _____

Are there any judgments or legal proceedings against you? Yes ☐ No ☐

Details, including amounts: _____

Please list all sources and amounts of monthly income. _____

CERTIFICATE

I certify that all of the information given by me in this application is true and complete.

I authorize the officers of this financial institution or the Ministry of Economic Development and Trade or their agents to make all necessary credit investigations or credit reporting and provide The Development Corporations of Ontario with all relevant information. I approve the disclosure of any information concerning the undersigned to any credit requesting agency.

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Signature of Applicant _____ Date _____

NOTE: Complete a Personal Information Form for each Applicant, Co-Applicant and Shareholder who is a signing officer. If more forms are required, please make photocopies.

BUSINESS PLAN

As part of your New Ventures application you are required to prepare a business plan. Remember, a well prepared business plan is absolutely necessary because it serves to justify the business proposal, as well as to convince the lending officer that you have thoroughly researched and planned for your new business. It will also improve your chance for success.

**IF SPACE PROVIDED
IS INSUFFICIENT
PLEASE INDICATE
ATTACHMENTS**

1. BUSINESS PROFILE

Company Name	Company Telephone Number () - () - () ()			
Company Address				
City	Postal Code			
Date Business Registered/Incorporated <table style="display: inline-table; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 20px; text-align: center;">Day</td> <td style="border: 1px solid black; width: 20px; text-align: center;">Month</td> <td style="border: 1px solid black; width: 20px; text-align: center;">Year</td> </tr> </table>		Day	Month	Year
Day	Month	Year		
Form of Business Ownership				
<input type="checkbox"/> Sole Proprietorship: Name _____				
<input type="checkbox"/> Partnership: Names of Partners _____				
<input type="checkbox"/> Corporation: Names of Signing Officers who are Shareholders _____				
<input type="checkbox"/> Worker Co-op: Names of Co-Op Members (maximum of 5) _____				
Classification of Business: <input type="checkbox"/> Franchise				
<input type="checkbox"/> Retail	<input type="checkbox"/> Food			
<input type="checkbox"/> Construction	<input type="checkbox"/> Wholesale/Distribution			
<input type="checkbox"/> Tourism	<input type="checkbox"/> Manufacturing			
<input type="checkbox"/> Other (specify) _____	<input type="checkbox"/> Service			
Will your involvement in this business be <input type="checkbox"/> Full-time or <input type="checkbox"/> Part-time				

If part-time, please explain how your business will be able to operate full-time.

2. OBJECTIVES

Describe in detail what your business will do, what product or service you will be providing.

3. COMPETITION AND SUPPLIERS

Who are your competitors, what are their locations, and how long have they been in business?

Explain why your customers will prefer your product or service over your competitors.

BUSINESS PLAN

Who are your major suppliers (if applicable), where are they located and what are their credit terms?
Can you change your suppliers easily if required?

4. CUSTOMERS

What market research have you conducted to determine how many potential customers are in the areas where you plan to operate? The research may include door-to-door, telephone or mail surveys, discussions with suppliers or competitors, and statistical data. Please provide both the details of the research (eg. copy of questionnaire or survey, or how many you have called) and the results.

What are the characteristics of your typical customers (ie. age, location, education, etc.)?

How will you inform customers about your service or product?

What form of advertising would be most effective for your business (business cards, radio, newspaper, pamphlets, etc.)?

How much do you intend to spend on advertising and have you budgeted for this expense?

5. PRICE AND COSTS

What does it cost you to offer your product(s) or service(s) to your customers? Cost may be expressed per unit, hour or job. Provide a breakdown of how you determined your cost including materials, labour, inventory and overhead costs.

What price will you charge customers for your product(s) or service(s)? State prices in terms of quantity or fee per hour. If prices vary, give an example. Provide a breakdown of how you arrived at your prices. (Include your costs and markup or profit margins.)

What level of sales would you have to reach to just cover your costs (break-even point)?

Have you made provisions for contingency costs, such as warranty/servicing, insurance and start-up, in your pricing?

6. OPERATING REQUIREMENTS

What government regulations, licenses, permits and insurance pertain to your business and have they been obtained?

Identify your business requirements such as size and type of premises, equipment, furniture and fixtures. Will they be leased or purchased and will deposits be required?

What skills are required to operate your business and who will provide them?

Skills needed.

How many employees will you have to hire?

Number of Employees	At Start-up	Part-time	Full-time	By Year 3	Part-time	Full-time
	_____	_____	_____	_____	_____	_____

Will franchises, patents, trademarks, licensing and distribution agreements be important factors in your business? If yes, please provide a copy of the appropriate agreement and a Letter of Opinion on that agreement from your solicitor.



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